



COUNCIL AGENDA: 05-04-04

ITEM:

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

SUBJECT: SEE BELOW

DATE: 04-14-04

Approved

Date

Council District: 1, 3, 5, 6, 7, 9

SNI Area: 13th Street, Five
Wounds, East Valley/680
Communities, Mayfair,
Washington, Blackford

**SUBJECT: APPROVAL OF FUNDING EXTENSION FOR VARIOUS CDBG
PROJECTS**

RECOMMENDATION

1. Approval of a continuation and extension of the funding term for six months from December 31, 2003 to June 30, 2004, for the following projects:
 - F89 Nursery Renovation – San Jose Day Nursery
 - G43 Roosevelt Hockey Rink Renovation – Department of Parks, Recreation and Neighborhood Services
2. Approval of a continuation and extension of the funding term for one year from June 30, 2003 to June 30, 2004, for the following project:
 - F67 New Billy DeFrank Lesbian and Gay Community Center – Billy DeFrank Lesbian and Gay Community Center
3. Approval of a continuation and extension of the funding term for one year from December 31, 2003 to December 31, 2004, for the following projects:
 - F85 Eastside Clubhouse Capital Project – Boys and Girls Club of Silicon Valley
 - F87 Disabled Housing Preservation – Housing for Independent People, Inc.
 - F95 Cultivating Community Power – Resources for Families and Communities
4. Approval of an extension of the funding term from June 30, 2004 to December 31, 2004, for the following projects:
 - F88 MACSA Enrichment and Development Center – The Mexican American Community Services Agency, Inc.

- F93 701 Vine Street Infrastructure – Center for Employment Training
- G33 Goss Community Facility – Department of Parks, Recreation and Neighborhood Services

BACKGROUND

Several CDBG construction projects experienced delays. These projects require an extension of the funding term to allow completion.

ANALYSIS

A brief status is provided on the following projects recommended for funding extensions:

F67 New Billy DeFrank Lesbian and Gay Community Center - THE BILLY DEFRANK LESBIAN AND GAY COMMUNITY CENTER (1999-00). Project involves addressing a blight condition at 938 The Alameda through rehabilitation of the structure.

The project was proceeding on schedule and was approximately 70% complete as of March 2003. Rough and interior framing and roofing were all complete, the drywall was partially complete, ADA access elevator installation was 40% complete, plumbing was 60% complete, and electrical was 75% complete. At the time of the last report, there were no significant problems or delays and the project remained on target for a May 2003 completion.

In March 2003, the project began to run into funding problems with the San José Redevelopment Agency. Approximately \$325,000 in SJRA funding was temporarily suspended due to budget concerns within SJRA, and all work on the project was halted for eight months. SJRA funding resumed in November 2003 and, as of this report, 85% of the project is now complete. Sheetrock is installed, wall texturing has been completed, plumbing and electrical are being completed, the HVAC units are mounted, and some work remains on the elevator. The project is now anticipated to be completed by April 30, 2004. It is recommended that the project be extended to June 30, 2004.

F85 Eastside Clubhouse Capital Project – BOYS AND GIRLS CLUB OF SILICON VALLEY (2001-02). The project involves building a new all turf community ball field. A variety of issues have now been resolved, including resolution of environmental issues and project scope changes. The contract has been executed and the project is ready to proceed. It is recommended that the project be extended one year to December 31, 2004 to allow the completion of this project.

F87 Disabled Housing Preservation - HOUSING FOR INDEPENDENT PEOPLE, INC. (2001-02). The project will rehabilitate 25 units of affordable housing serving 66 low-income persons with disabilities. The project was initially delayed due to procurement and relocation issues. Construction is now 94% complete. The project cannot be completed at this time due to a dispute between the contractor and the adjacent property owner. Legal action is pending. It is

recommended that the project be extended by one year to December 31, 2004, to allow time to resolve the difficulty and complete the project.

F88 MACSA Enrichment and Development Center – THE MEXICAN AMERICAN COMMUNITY SERVICES AGENCY, INC. (2001-02). This project originally had two components:

1) modernization of the existing two-story building located at 2254 Alum Rock Avenue by replacing the roof with a new metal pitched roof, painting the exterior, and making minor stucco crack repairs, and 2) rehabilitation of a 40 year old relocated building adjacent to the two-story building. Project now plans to demolish the 40-year-old building and replace it with a new 3,000 square foot building. Last year additional funding was identified for this project from the Construction and Conveyance Tax fund and CDBG. The project is applying for an additional \$111,000 from CDBG for this project in FY 2004-05. The project has \$809,979 in funding for this project to date.

The project is ready to begin demolition of the 40-year-old building. This activity can occur independently of the balance of the project. However, the change of scope requires a new environmental review.

The corrective actions are to work with staff in moving forward with the demolition portion. The project needs to provide estimates and a draft contract for the demolition in accordance with CDBG procurement as soon as the environmental clearance is completed.

A third six-month extension to December 31, 2004 is requested to resolve the issues.

F89 Nursery Renovation - SAN JOSE DAY NURSERY (2001-02). The project constructed accessibility access to the front entrance and classrooms on the south side of the building, and enclosed the dumpster area. The project was originally delayed due to changes in the scope and completion of the environmental review, which included historic review. Construction began in July 2003; the project is now complete except for the final punch list. It is recommended that the project be extended by six months to June 30, 2004, to allow for completion of the project.

F95 Cultivating Community Power - RESOURCES FOR FAMILIES AND COMMUNITIES (2002-03). The project consists of upgrading the RFC leased (City owned) property located at 1807 Sarasota Way in East San José. The facility will provide a center for community activities and will expand community services in the Tropicana area.

Construction work was expected to commence in April 2003 and be completed by June 30, 2003. The agency worked actively with City of San José Planning Department staff to determine the zoning of the Sarasota property to determine which permits were required before construction could begin. Although the house has been used by both RFC and a previous tenant for office use, the house had not been properly rezoned to reflect its usage. In January of 2004, the Agency discovered that due to specific zoning, they would have to complete a lengthy permit process, including a Special Use Permit required by the Planning Department in order to begin work. The Agency has begun discussions with the Planning Department and is working on getting the

property rezoned to reflect its actual office usage. The project was unable to meet its completion date of December 31, 2003.

It is recommended that the Agency continue to meet with the Planning Department to resolve the zoning issues, achieve a resolution, and advise the Grants Unit of the result by April 30, 2004. The corrective action is for the agency to submit a revised construction plan to the Grants Unit by April 30, 2004. It is recommended that funding for the project be extended by one year to December 31, 2004.

G33 Goss Community Facility – DEPARTMENT OF PARKS, RECREATION AND NEIGHBORHOOD SERVICES (2000-01). This project involves the installation of a double size modular building at Capitol/Goss Park, adjacent to Goss Elementary School in the Dobern Project Crackdown Area.

The project has been delayed numerous times, most recently due to differences between the school and the community regarding the site and the need for additional funds. Once these issues were resolved with the portable being placed on City parkland adjacent to the school and additional funds being secured, the project moved forward.

The project is now in the process of obtaining Federal environmental clearance. The completion date for the installation of the portable is currently uncertain because it is contingent on receipt of environmental clearance. The corrective action is for the project to submit a construction schedule for the installation of the portable to the Grants Unit by April 30, 2004. It is recommended that the project be extended by six months to December 31, 2004.

G43 Roosevelt Hockey Rink Renovation – DEPARTMENT OF PARKS, RECREATION AND NEIGHBORHOOD SERVICES (2001-02). This renovation project consists of fully enclosing the entire rink and related areas, specifically the flooring and boards. The project has been divided into Phase I (floors) and Phase II (boards). Phase I was completed in June 2002; Phase II was completed in September 2003.

After both phases were completed, there was an ending balance of approximately \$15,000; the department is using it to purchase players' boxes, penalty boxes, and permanent benches for the rink. The department was unable to complete the project on time because of errors made by the bidders during the bidding process. The project is now back on schedule and the Department anticipates completion of the boxes and benches by April 30, 2004. No corrective action is needed. It is recommended that the project be extended for six months to June 30, 2004.

PUBLIC OUTREACH

The status of projects in this report was provided by funded agencies, including City Departments. The report was presented to the CDBG Steering Committee in a public meeting held on March 1, 2004, at which time the Steering Committee approved recommending the funding extensions for the above-mentioned projects to the City Council.

COORDINATION

This report was prepared in coordination with the City Attorney's Office.

COST IMPLICATIONS

The recommendations contained in this memorandum have no impact to the General Fund. The CDBG program is funded by Federal funds, and all CDBG funds associated with these projects have been encumbered from previous award cycles.

CEQA

Not a project. Each project has been or is currently being individually evaluated for environmental clearance under CEQA.

SARA L. HENSLEY
Director of Parks, Recreation and
Neighborhood Services